

TRANSPORTATION CORPORATION OF AMERICA
CAR LEASING AGREEMENT

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INTERSTATE COMMERCE COMMISSION

THIS AGREEMENT, dated this 3rd day of March, 1971, by and between TRANSPORTATION CORPORATION OF AMERICA, an Illinois corporation, (herein called "Transportation"), and MINNESOTA, DAKOTA & WESTERN RAILWAY CO., a corporation with its principal place of business at Boise, Idaho (herein called "Lessee"),

W I T N E S S E T H:

Description and the
Number of Cars

1. Transportation hereby leases to Lessee, and Lessee agrees to accept and use exclusively upon the terms and conditions herein set forth, the following described cars (hereinafter referred to as "the cars"), and to pay Transportation for the use of each of the cars the following rental:

<u>Number of Cars</u>	<u>Type of Car</u>
50	Thrall-Door Cars (Including two moveable bulkheads) Spec. No. BX-C-70-55-118 Said cars to be numbered: MD&W 3005 thru 3054, both inclusive.
5	Thrall-Door Cars (Including two moveable bulkheads) Said cars formerly under lease dated March 1, 1968, which this lease hereby supercedes. Said cars numbered: MD&W 3000 thru 3004, both inclusive.

Rental

The rental per car, for 55 cars, \$290.00 per month.

Term of Lease

2. The term of this lease shall begin upon acceptance of each car as provided in Paragraph 5 hereof and shall continue for 364 days with right to renewal vested in either party for 15-years from initial acceptance of the cars. Renewal will be automatic for fourteen additional annual 364 day periods unless either party gives notice to the other party of its intention not to renew said lease, at least 120 days prior to any annual renewal date.

Delivery and
Use of Cars

3. Transportation agrees to deliver the cars to Lessee at International Falls, Minnesota, with freight charges to be paid by Lessee. Transportation's obligation as to such deliveries shall be subject to all delays resulting from causes beyond its control. Lessee agrees to use the cars exclusively in its service, and none of the cars shall be shipped beyond the boundaries of the United States or Canada, except with the prior written consent of Transportation.

Payment of
Rental

4. Lessee agrees to pay the monthly rental with respect to each of the cars from date of delivery thereof at Chicago Heights, Illinois, and until such car is returned to Transportation upon the termination of this Agreement. Such monthly rentals shall be paid to Transportation at its principal office, 26th & State Streets, Chicago Heights, Illinois, 60411, in advance of the first day of each month, prorating, however, any period which is less than a full month.

Cars Subject to
Lessee's
Inspection

5. Each of the cars shall be subject to Lessee's inspection at point of manufacture, and the loading of each such car by Lessee or at its direction shall constitute acceptance thereof by Lessee, and shall be conclusive evidence of the fit and suitable condition thereof.

Marking of
Cars

6. Cars shall expressly remain the property of Transportation and shall, prior to delivery, be stencilled with the following legend:

"Transportation Corporation of America,
Owner and Lessor"

Transportation agrees, however, to cause before delivery, each car to be marked by stencilling with Lessee's reporting marks.

Reports and
Mileage

7. Lessee agrees to promptly furnish Transportation with complete reports of the car movements, including dates loaded and shipped, commodity, destination, and full junction routing, and all information which Lessee may receive from railroad companies or other sources which may be of use to Transportation. Lessee shall collect all mileage earned by the cars, and, subject to all rules of the tariffs of the railroads Lessee agrees to credit to Transportation's account for the accounting period (as defined) the aggregate mileage earned by the cars which is in excess of the aggregate monthly rentals for such accounting period, mileage earnings to be reported monthly for the month in which earned. In the event Lessee elects to operate the cars in such a manner as to make them qualified for per diem rather than mileage earnings, Transportation agrees Lessee shall collect and retain all per diem earned by the cars, such earnings to be reported monthly for the month in which earned. The term "accounting period" as used in this agreement is defined to mean the period within the term of this agreement ending on the termination date thereof as provided for in paragraph one (1).

Maintenance

8. Lessee shall promptly notify Transportation upon receipt by Lessee of knowledge of any damage to any of the cars. No repairs other than running repairs (as specified in the Association of American Railroads Rules for Interchange) shall be made by Lessee without Transportation's prior written consent. Lessee agrees to have performed the necessary lessor approved maintenance at the prevailing AAR rates and to bill the Lessor for this approved maintenance. Lessee agrees to perform at its own expense whatever maintenance may be necessary to conform to provision in paragraph 17 pertaining to condition of cars upon return of cars to Transportation.

Cars Removed
From Service

9. In the event any of the cars are totally damaged or destroyed, the monthly rental with respect to such car shall terminate upon receipt by Transportation of notification thereof. In such event, Lessee agrees to make prompt payment to Transportation for such car in the amount of the car's replacement value. Transportation agrees Lessee shall retain all reimbursement (under Association of American Railroads rules) from the railroad on whose lines the car was destroyed, and Lessee shall retain whatever salvage value may remain in the destroyed car.

In the event any of the cars are reported to be bad ordered and Transportation elects to permanently remove such car from Lessee's service rather than have such car taken to a railroad or car shop for repairs, the monthly rental with respect to such car shall terminate upon receipt by Transportation of notification that such car was bad ordered. Transportation shall have the right, but shall not be obligated, to substitute for any such car another car of the same type and capacity and the monthly rental with respect to such substituted car shall commence upon delivery of such substituted car to Lessee.

Responsibility
for Damage
Resulting From
Lading

10. In the event any of the cars, or the fittings, appliances or appurtenances thereto, shall become damaged by the commodity loaded therein or thereon, Lessee agrees to assume financial responsibility for such damage.

Responsibility
For Lading

11. Transportation shall not be liable for any loss or damage to commodities, or any part thereof, loaded or shipped in or on the cars, and Lessee agrees to assume financial responsibility for, to indemnify Transportation against, and to save it harmless from any such loss or damage.

Responsibility
For Removable
Parts

12. Lessee, at its own expense, shall either replace or reimburse Transportation for the cost of replacing any appliance or removable part, if destroyed, damaged, lost, removed or stolen.

Indemnification

13. Lessee agrees to indemnify and hold Transportation harmless from and against any loss, liability, claim, damage or expense (including, unless Lessee assumes the defense, the reasonable cost of investigating and defending against any claim for damages) arising out of or in connection with the use of the cars during the term of this agreement, excepting, however, any loss, liability, claim, damage or expense which accrues with respect to any of the cars while such car is in the Lessor's repair shop undergoing repairs; which is attributable to the negligence or omission of Transportation, its agents or employees.

Lessee Not To
Overload Cars

14. Lessee agrees not to load any of the cars in excess of the capacity stencilled thereon.

Assignment

15. Lessee shall make no transfer or assignment of its interest under this agreement in and to the cars without Transportation's prior written consent. No right, title or interest in any of these cars shall vest in Lessee by reason of this agreement or by reason of the delivery to or use by Lessee of the cars, except the right to use the cars in accordance with the terms of this agreement.

Remedies

16. If Lessee shall fail to perform any of its obligations hereunder, Transportation at its election may either (a) terminate this agreement immediately, or (b) withdraw the cars from the service of Lessee and deliver the same, or any thereof, to others upon such terms as Transportation may see fit.

If Transportation shall elect to proceed in accordance with clause (b) above, and if Transportation during the balance of the term of this agreement shall fail to collect for the use of the cars a sum at least equal to all unpaid rentals hereunder to the stated date of termination hereof plus an amount equal to all expenses of withdrawing the cars from service of Lessee and collecting the earnings thereof, Lessee agrees to pay from time to time upon demand by Transportation the amount of any such deficiency. It is expressly understood that Transportation at its option may terminate this agreement in the event that a petition in bankruptcy or a petition for a trustee or receiver be filed by or against Lessee or in the event that Lessee shall make an assignment for creditors.

Return of Cars

17. Upon the termination of this agreement, Lessee agrees, subject to the provisions of paragraph 9 above, to return the cars freight prepaid to Transportation at Chicago Heights, Illinois or at such other place or places as are mutually agreed to, in the same or as good condition as received, ordinary wear and tear excepted, free from all charges and liens which may result from any act or default of Lessee, and free from all accumulations or deposits from commodities transported in or on the cars while in the service of Lessee. If any of the cars are not returned to Transportation free from such accumulations or deposits, Lessee shall reimburse Transportation for any expense incurred in cleaning such car.

Additional Provisions

IN WITNESS WHEREOF, the parties have duly

executed this agreement in two counterparts (each of which shall be deemed an original) the day and year first above written.

ATTEST:

TRANSPORTATION CORPORATION OF AMERICA

PC Russell
Secretary

BY: *[Signature]*
President

ATTEST:

MINNESOTA, DAKOTA & WESTERN
RAILWAY COMPANY

C. H. [Signature]
Secretary

BY: *[Signature]*
President

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PICKETT